

WASHOE COUNTY SCHOOL DISTRICT BOND QUESTIONS

A. SCHOOL BOND QUESTION PART A:

Shall Washoe County School District be authorized to issue \$131 million of general obligation school bonds for construction of 3 new high schools and upgrades and reconstruction of existing schools? The property tax rate is not expected to increase if this part of the question is approved.

Explanation for the Part A Bonds: A "yes" vote would permit the Washoe County School District to issue up to \$131 million of general obligation school bonds for the purpose of acquiring, constructing and improving school facilities. The proceeds of these bonds, which are called "the Part A Bonds", will be used to:

- Finance 3 new high schools to be generally located in the areas of Spanish Springs, the North Valleys, and Southeast Reno to meet the demands of enrollment increases related to Washoe County's population growth.
- Upgrade and reconstruct existing schools in the District based on a prioritization of the District commissioned facility assessment.
- Finance the acquisition of the new Southeast Reno high school site and required water rights associated with the new high schools. The other high school sites are already owned by the District.

The Part A Bonds represent the base option to provide financing for a minimum critical level of immediately needed school facilities. **The District does not intend to increase taxes above the current rate levied by the District to pay for the Part A Bonds.**

A "no" vote would prevent the issuance of general obligation bonds (both Part A Bonds and Part B Bonds) at this time.

Argument For the Part A Bonds: If the Part A Bond Question is approved, the District does not expect to increase the tax rate above the current rate levied by the District to repay the Part A Bonds. The proceeds of the Part A Bonds will be used to defray the cost to acquire, construct and improve schools in the District. The Part A Bond Question is necessary because:

- > Broad-based surveys of citizens within the District determined that existing schools need upgrading and reconstruction.
- > The District's high school enrollment in the Truckee Meadows is projected to grow from the current 13,596 students to 18,559 by the year 2015, far exceeding the District's classroom space. Broad-based surveys of citizens within the District determined that additional high school space is a critical, immediate need.
- > Current high school enrollment already exceeds capacity by more than 1,000 students. The proposed new high schools in Spanish Springs and the North Valleys will have capacity for 1,800 students and the Southeast Reno high school will have capacity for 1,500 students. In addition, all new high schools will be expandable to a capacity of 2,000 students. These schools will meet the needs through the year 2010.
- > Although the District is implementing multi-track year-round schools at the elementary and middle school levels, the Citizen's Task Force on Overcrowding determined that multi-track at the high school level would lower the quality of curriculum and other programs currently offered.

If the Part A Bonds are not approved, the District will have to consider other options such as double session or multi-track scheduling at the high school level, which may adversely affect academic and other programs.

Argument Against the Part A Bonds:

- > If Part A Bonds are approved, the property tax rate may not decline.
- > The cost of new schools should be borne entirely by parents, not by the taxpayers at large.
- > If the assessed value of property within the District decreases, or if the District does not experience growth in assessed value of the property in the District as projected, approval of the Part A Bonds could increase the property tax rate within the District above the current rate levied by the District.

Part A Bond Information:

- > Maximum amount of the Part A Bonds is \$131,000,000.
- > The anticipated average interest rate on the Part A Bonds is 6.40% per annum and the total anticipated interest cost is \$110,278,064. The total anticipated debt service (principal and interest) on the Part A Bonds is expected to be approximately \$241,278,064. The actual interest rate and total debt service on the Part A Bonds may be higher or lower than the above estimate, depending on the interest rates at the times the Part A Bonds are sold.
- > The District intends to sell the Part A Bonds in series according to actual growth in assessed value.
- > Maximum maturity of the Part A Bonds is 30 years; however, it is anticipated that the Part A Bonds will be paid in full within 22 years of their respective dates of issuance.
- > The District does not expect to increase taxes above the current rate levied by the District (34.85 cents) to pay for the Part A Bonds.
- > Within the current tax rate of 34.85 cents, the range of tax rates necessary to provide for debt service on the Part A Bonds for the dates on which they are expected to be redeemed will be between 1.78 cents per \$100.00 and 12.96 cents per \$100.00 of the assessed value of the property in the District. The range of tax rates is based upon the District's estimates (as of the dates the Part A Bonds are expected to be redeemed) of the assessed value of the property in the District against which the Part A Bonds are to be issued.
- > Actual tax rate necessary to pay the Part A Bonds may be higher or lower depending on:
 - Interest rates at time bonds are sold;
 - Maturity schedule and term of bonds as actually issued; and
 - Actual assessed value of property in the District at the time bonds are sold.
- > The estimated annual operation and maintenance costs of the projects financed by the Part A Bonds are \$2,187,000. Normal operation and maintenance costs for bond-funded projects will be paid from the District's general operating budget and will have no effect on the tax rate. The Board expects all future costs (other than debt service) in relation to the purpose for which the Part A Bonds are to be issued will be derived from other existing revenues of the District.

B. SCHOOL BOND QUESTION PART B: The bonds described in Part B can only be issued if Part A also is approved.

If School Bond Question Part A is approved, shall Washoe County School District be authorized to issue an additional \$47.2 million of

general obligation school bonds to build 4 new elementary schools, to upgrade and reconstruct existing schools, and to acquire and improve or reconstruct a facility for technical/alternative education?

Explanation for the Part B Bonds: A "yes" vote would permit the Washoe County School District to issue additional bonds of up to \$47.2 million to build 4 new elementary schools, to upgrade and reconstruct existing schools, and to acquire and improve or construct a facility for technical/alternative education. These additional bonds, which are called the Part B Bonds, will be issued only if both the School Bond Question Part A and this School Bond Question Part B are approved. The Part B Bond proceeds will be used to:

- Finance an additional 4 elementary schools to be generally located in the areas of Northwest Reno, Spanish Springs, Southeast Reno and Incline Village. Each of the elementary schools will be designed for multi-track operation.
- Acquire and improve or construct a technical/academic alternative school.
- Upgrade and reconstruct existing schools based on a prioritization of the District commissioned facility assessment.
- Finance the acquisition of the new Spanish Springs elementary school site and required water rights associated with the new elementary schools. The other elementary school sites in the Truckee Meadows are already owned by the District. Negotiations are under way to lease the Incline Village site at a minimal cost to the District.

The Part B Bonds are expected to result in a tax increase of approximately 4 cents per \$100 assessed valuation, or approximately \$21 per year for a new \$150,000 home.

A "no" vote would prevent the issuance of the Part B Bonds at this time.

Argument For the Part B Bonds: The proceeds of the Part B Bonds will be used to defray the cost to acquire, construct, and improve schools in the District. The Part B Bond Question is necessary because:

- > Even with the use of multi-track schedules, more elementary schools will be needed to handle rapid enrollment increases in certain neighborhoods.
- > Passage of Part B would meet the elementary school needs until the year 2004. If Part B is not approved, the District will most likely have to propose a bond issue by 2000 to meet elementary school capacity needs.
- > The proposed new elementary schools will be designed for multi-track operation.
- > If the Part B Bond Question is not approved, the District has projected that elementary school overcrowding will substantially increase and it will have to consider rezoning or busing elementary students to much more distant schools.
- > A technical/academic alternative school is needed to better prepare students for the workplace. Broad-based surveys of citizens within the District determined that a technical/academic alternative school is needed.
- > A survey of existing schools within the District determined that schools need upgrading and reconstruction.

Argument Against the Part B Bonds:

- > The District should bus elementary students from overcrowded schools to fill all schools, even if it means leaving their neighborhoods.

—> Approval of the Part B Bond Question would increase property taxes by about 4 cents per \$100 of assessed valuation (or more if assessed valuation growth projections are not achieved). If the assessed value of property within the District decreases, or if the District does not experience growth in assessed value of the property in the District as projected, approval of the Part B Bond Question could increase the property tax rate by more than 4 cents per \$100 of assessed valuation.

—> The cost of new schools should be borne entirely by parents, not by the taxpayers at large.

Part B Bond Information:

- > Maximum principal amount of the Part B Bonds is \$47,200,000.
- > The anticipated average interest rate on the Part B Bonds is 6.40% per annum and the total anticipated interest cost is \$39,950,024. The total anticipated debt service (principal and interest) on the Part B Bonds is expected to be approximately \$87,150,024. The actual interest rate and total debt service on the Part B Bonds may be higher or lower than the above estimate, depending on the interest rates at the times the Part B Bonds are sold.
- > The District intends to sell the Part B Bonds in series according to actual growth in assessed value.
- > Maximum maturity of the Part B Bonds is 30 years; however, it is anticipated that the Part B Bonds will be paid in full within 22 years of their respective dates of issuance.
- > It is anticipated that the maximum combined debt service tax rate for all outstanding obligations of the District, including the proposed Part B Bonds, will not exceed 38.85 cents per \$100.00 of assessed valuation, which represents a 4 cents increase above the current debt levy.
- > The range of tax rates necessary to provide for debt service on the Part B Bonds for the dates on which they are expected to be redeemed will be between 0.51 cents per \$100.00 and 4.68 cents per \$100.00 of the assessed value of the property in the District. The range of tax rates is based upon the District's estimates (as of the dates Part B Bonds are expected to be redeemed) of the assessed value of the property in the District against which the Part B Bonds are to be issued.
- > Actual tax rate necessary to pay the Part B Bonds may be higher or lower than the above estimates depending on:
 - Interest rates at the time bonds are sold;
 - Maturity schedule and term of bonds as actually issued; and
 - Actual assessed value of property in the District at the time bonds are sold.
- > The estimated annual operation and maintenance costs of the projects financed by the Part B Bonds are \$819,200. Normal operation and maintenance costs for bond-funded projects will be paid from the District's general operating budget and will have no effect on the tax rate. The Board expects all future costs (other than debt service) in relation to the purpose for which the Part B Bonds are to be issued will be derived from other existing revenues of the District.

Time and Place of the Election: The bond election will be held on Tuesday, November 3, 1998, in conjunction with the general election. The polls will be open from 7:00 a.m. to 7:00 p.m. Your precinct, polling place and locations for early voting are the same as for the general election and are listed elsewhere on the sample ballot.